



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2014
OF THE CONDITION AND AFFAIRS OF THE

Physicians Health Plan

NAIC Group Code

3408

3408

(Current)

(Prior)

NAIC Company Code

95849

Employer's ID Number

38-2356288

Organized under the Laws of

Michigan

, State of Domicile or Port of Entry

Michigan

Country of Domicile

United States of America

Licensed as business type:

Health Maintenance Organization

Is HMO Federally Qualified? Yes [☐] No [☒]

Incorporated/Organized

12/18/1980

Commenced Business

10/01/1981

Statutory Home Office

1400 East Michigan Avenue

(Street and Number)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

Main Administrative Office

1400 East Michigan Avenue

(Street and Number)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

517-364-8400

(Area Code) (Telephone Number)

Mail Address

1400 East Michigan Avenue

(Street and Number or P.O. Box)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

Primary Location of Books and Records

1400 East Michigan Avenue

(Street and Number)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

517-364-8400

(Area Code) (Telephone Number)

Internet Website Address

www.phpmm.org

Statutory Statement Contact

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OFFICERS

President

Dennis Reese

Chairperson

James Butler III

Secretary

Kenneth Rudman MD

OTHER

DIRECTORS OR TRUSTEES

Diana Rodriguez Algra	James Butler III	MaryLee Davis PhD
Timothy Hodge DO	Thomas Hofman PhD	Bradley Hoopingarner MD
David Kaufman DO	Patrick McPharlin	Deborah Muchmore
Kenneth Rudman MD	Dennis Swan	Mark Brett

State of

Michigan

County of

Ingham

SS:

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Dennis Reese

President

Kenneth Rudman MD

Secretary

James Butler, III

Chairperson

Subscribed and sworn to before me this

day of

a. Is this an original filing?

Yes [☒] No [☐]

b. If no,

1. State the amendment number.....

2. Date filed

3. Number of pages attached.....

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	0	0	0	0
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	44,729,121	0	44,729,121	42,551,029
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	1,678,334	0	1,678,334	1,760,411
4.2 Properties held for the production of income (less \$0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$(4,258,300) , Schedule E - Part 1), cash equivalents (\$0 , Schedule E - Part 2) and short-term investments (\$32,016,842 , Schedule DA)	27,758,542	0	27,758,542	24,355,314
6. Contract loans, (including \$0 premium notes)	0	0	0	0
7. Derivatives (Schedule DB)	0	0	0	0
8. Other invested assets (Schedule BA)	8,494,341	0	8,494,341	7,727,980
9. Receivables for securities	787,213	0	787,213	758,828
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	83,447,551	0	83,447,551	77,153,562
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	428	0	428	488
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	515,096	0	515,096	3,299,166
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	124,361	0	124,361	119,461
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	0	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	4,836,562	4,791,076	45,486	80,532
21. Furniture and equipment, including health care delivery assets (\$0)	10,991	10,991	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	1,357,713	0	1,357,713	1,163,984
24. Health care (\$784,368) and other amounts receivable	2,154,736	1,357,844	796,892	1,344,674
25. Aggregate write-ins for other than invested assets	808,083	808,083	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	93,255,521	6,967,994	86,287,527	83,161,867
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	93,255,521	6,967,994	86,287,527	83,161,867
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. PREPAIDS	808,083	808,083	0	0
2502.	0	0	0	0
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	808,083	808,083	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$14,000 reinsurance ceded)	12,826,758	373,595	13,200,353	14,549,505
2. Accrued medical incentive pool and bonus amounts	4,295,222	0	4,295,222	4,775,555
3. Unpaid claims adjustment expenses	240,539	0	240,539	267,069
4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act	0	0	0	0
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserves	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	1,421,575	0	1,421,575	410,050
9. General expenses due or accrued	4,710,065	0	4,710,065	3,108,926
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized capital gains (losses))	0	0	0	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	0
12. Amounts withheld or retained for the account of others	128,765	0	128,765	145,301
13. Remittances and items not allocated	0	0	0	0
14. Borrowed money (including \$0 current) and interest thereon \$0 (including \$0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	1,668,677	0	1,668,677	941,218
16. Derivatives	0	0	0	0
17. Payable for securities	787,213	0	787,213	758,829
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$0 authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$0) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	0	0	0	0
23. Aggregate write-ins for other liabilities (including \$0 current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	26,078,815	373,595	26,452,410	24,956,453
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	0	0
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	0	0
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	59,835,118	58,205,414
32. Less treasury stock, at cost: 32.1 .....0 shares common (value included in Line 26 \$0)	XXX	XXX	0	0
32.2 .....0 shares preferred (value included in Line 27 \$0)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	59,835,118	58,205,414
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	86,287,528	83,161,867
DETAILS OF WRITE-INS				
2301.	0	0	0	0
2302.	0	0	0	0
2303.	0	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	0	0	0	0
2501.	XXX	XXX	0	0
2502.	XXX	XXX	0	0
2503.	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX	0	0
3002.	XXX	XXX	0	0
3003.	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	369,118	405,089
2. Net premium income (including \$0 non-health premium income)	XXX	158,150,283	163,225,016
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0
4. Fee-for-service (net of \$0 medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	(271,397)	32,046,409
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	157,878,886	195,271,425
Hospital and Medical:			
9. Hospital/medical benefits	0	85,288,122	90,641,384
10. Other professional services	0	8,227,828	9,901,323
11. Outside referrals	0	0	0
12. Emergency room and out-of-area	0	11,347,943	36,123,916
13. Prescription drugs	0	30,007,345	37,662,798
14. Aggregate write-ins for other hospital and medical	0	1,190,263	587,624
15. Incentive pool, withhold adjustments and bonus amounts	0	4,409,352	4,879,018
16. Subtotal (Lines 9 to 15)	0	140,470,853	179,796,063
Less:			
17. Net reinsurance recoveries	0	717,728	903,454
18. Total hospital and medical (Lines 16 minus 17)	0	139,753,126	178,892,609
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including \$2,985,329 cost containment expenses	0	4,351,792	3,791,978
21. General administrative expenses	0	13,556,818	11,812,868
22. Increase in reserves for life and accident and health contracts (including \$0 increase in reserves for life only)	0	0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	157,661,736	194,497,455
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	217,151	773,970
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	640,784	629,621
26. Net realized capital gains (losses) less capital gains tax of \$0	0	2,005,706	1,620,585
27. Net investment gains (losses) (Lines 25 plus 26)	0	2,646,490	2,250,206
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$0) (amount charged off \$0)]	0	0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	2,863,640	3,024,176
31. Federal and foreign income taxes incurred	XXX	0	0
32. Net income (loss) (Lines 30 minus 31)	XXX	2,863,640	3,024,176
DETAILS OF WRITE-INS			
0601. HHS REIMBURSEMENT HIGH RISK POOL PROGRAM	XXX	(271,397)	32,046,409
0602.	XXX	0	0
0603.	XXX	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	(271,397)	32,046,409
0701.	XXX	0	0
0702.	XXX	0	0
0703.	XXX	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401. OTHER MEDICAL	0	1,190,263	587,624
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	1,190,263	587,624
2901.	0	0	0
2902.	0	0	0
2903.	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	58,205,414	52,726,535
34. Net income or (loss) from Line 32	2,863,640	3,024,178
35. Change in valuation basis of aggregate policy and claim reserves	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	(229,853)	2,525,633
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	0	0
39. Change in nonadmitted assets	(1,004,083)	(70,932)
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles.....	0	0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....	0	0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital	0	0
46. Dividends to stockholders	0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	1,629,704	5,478,879
49. Capital and surplus end of reporting period (Line 33 plus 48)	59,835,118	58,205,414
DETAILS OF WRITE-INS		
4701.	0	0
4702.	0	0
4703.	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	161,945,878	162,166,523
2. Net investment income	640,844	629,797
3. Miscellaneous income	147,102	40,496,332
4. Total (Lines 1 through 3)	162,733,824	203,292,652
5. Benefit and loss related payments	141,587,510	181,318,173
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	16,334,001	13,346,571
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	157,921,511	194,664,744
11. Net cash from operations (Line 4 minus Line 10)	4,812,313	8,627,908
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
12.2 Stocks	2,137,466	2,676,202
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	2,214
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	28,384	1,129,771
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,165,850	3,808,187
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	0
13.2 Stocks	3,306,063	5,190,284
13.3 Mortgage loans	0	0
13.4 Real estate	17,969	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	28,385	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	3,352,417	5,190,284
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(1,186,567)	(1,382,097)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	(222,537)	(926,935)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(222,537)	(926,935)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	3,403,209	6,318,876
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	24,355,333	18,036,457
19.2 End of year (Line 18 plus Line 19.1)	27,758,542	24,355,333

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	158,150,283	158,105,329	0	0	0	48,899	0	0	(3,945)	0
2. Change in unearned premium reserves and reserve for rate credit	0	0	0	0	0	0	0	0	0	0
3. Fee-for-service (net of \$0 medical expenses)	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues	(271,397)	0	0	0	0	0	0	0	(271,397)	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	157,878,886	158,105,329	0	0	0	48,899	0	0	(275,342)	0
8. Hospital/medical benefits	85,288,122	84,694,055	0	0	0	700,351	0	0	(106,284)	XXX
9. Other professional services	8,227,828	8,278,377	0	0	0	67,564	0	0	(118,113)	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	11,347,943	11,419,481	0	0	0	93,185	0	0	(164,722)	XXX
12. Prescription drugs	30,007,345	29,815,121	0	0	0	246,408	0	0	(54,184)	XXX
13. Aggregate write-ins for other hospital and medical	1,190,263	1,099,048	0	0	0	9,774	0	0	81,441	XXX
14. Incentive pool, withhold adjustments and bonus amounts	4,409,352	4,373,145	0	0	0	36,208	0	0	0	XXX
15. Subtotal (Lines 8 to 14)	140,470,853	139,679,227	0	0	0	1,153,489	0	0	(361,862)	XXX
16. Net reinsurance recoveries	717,728	717,728	0	0	0	0	0	0	0	XXX
17. Total medical and hospital (Lines 15 minus 16)	139,753,126	138,961,499	0	0	0	1,153,489	0	0	(361,862)	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$2,985,329 cost containment expenses	4,351,792	4,326,028	0	0	0	4,739	0	0	21,024	0
20. General administrative expenses	13,556,818	13,476,558	0	0	0	14,764	0	0	65,496	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	157,661,736	156,764,085	0	0	0	1,172,992	0	0	(275,342)	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	217,150	1,341,244	0	0	0	(1,124,093)	0	0	0	0
DETAILS OF WRITE-INS										
0501. HHS	(271,397)	0	0	0	0	0	0	0	(271,397)	XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	(271,397)	0	0	0	0	0	0	0	(271,397)	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. Other	1,190,263	1,099,048	0	0	0	9,774	0	0	81,441	XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	1,190,263	1,099,048	0	0	0	9,774	0	0	81,441	XXX

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	159,841,139	0	1,741,318	158,099,821
2. Medicare Supplement	0	0	0	0
3. Dental only	0	0	0	0
4. Vision only	0	0	0	0
5. Federal Employees Health Benefits Plan	50,463	0	0	50,463
6. Title XVIII - Medicare	0	0	0	0
7. Title XIX - Medicaid	0	0	0	0
8. Other health	0	0	0	0
9. Health subtotal (Lines 1 through 8)	159,891,602	0	1,741,318	158,150,284
10. Life	0	0	0	0
11. Property/casualty	0	0	0	0
12. Totals (Lines 9 to 11)	159,891,602	0	1,741,318	158,150,284

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	141,630,878	140,758,679	0	0	0	872,199	0	0	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	741,255	741,255	0	0	0	0	0	0	0	0
1.4 Net	140,889,623	140,017,424	0	0	0	872,199	0	0	0	0
2. Paid medical incentive pools and bonuses	4,627,123	4,598,628	0	0	0	28,495	0	0	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	13,214,353	13,214,353	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	14,000	14,000	0	0	0	0	0	0	0	0
3.4 Net	13,200,353	13,200,353	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	4,295,222	4,295,222	0	0	0	0	0	0	0	0
6. Net healthcare receivables (a)	237,651	237,651	0	0	0	0	0	0	0	0
7. Amounts recoverable from reinsurers December 31, current year	124,361	124,361	0	0	0	0	0	0	0	0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	14,591,932	13,893,833	0	0	0	155,220	0	0	542,879	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	42,428	42,428	0	0	0	0	0	0	0	0
8.4 Net	14,549,504	13,851,405	0	0	0	155,220	0	0	542,879	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	4,775,555	4,713,790	0	0	0	61,765	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	119,461	119,461	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	140,015,648	139,841,548	0	0	0	716,979	0	0	(542,879)	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	717,727	717,727	0	0	0	0	0	0	0	0
12.4 Net	139,297,921	139,123,821	0	0	0	716,979	0	0	(542,879)	0
13. Incurred medical incentive pools and bonuses	4,146,790	4,180,060	0	0	0	(33,270)	0	0	0	0

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	2,867,318	2,867,318	.0	.0	.0	.0	.0	.0	.0	.0
1.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.4 Net	2,867,318	2,867,318	.0	.0	.0	.0	.0	.0	.0	.0
2. Incurred but Unreported:										
2.1 Direct	10,347,036	10,347,036	.0	.0	.0	.0	.0	.0	.0	.0
2.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3 Reinsurance ceded	14,000	14,000	.0	.0	.0	.0	.0	.0	.0	.0
2.4 Net	10,333,036	10,333,036	.0	.0	.0	.0	.0	.0	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. TOTALS:										
4.1 Direct	13,214,353	13,214,353	.0	.0	.0	.0	.0	.0	.0	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded	14,000	14,000	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	13,200,353	13,200,353	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	10,423,394	129,595,356	24,499	13,175,855	10,447,893	13,851,404
2. Medicare Supplement	0	0	0	0	0	0
3. Dental Only	0	0	0	0	0	0
4. Vision Only	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan	832,563	38,310	0	0	832,563	155,220
6. Title XVIII - Medicare	0	0	0	0	0	0
7. Title XIX - Medicaid	0	0	0	0	0	0
8. Other health	(37,481)	0	0	0	(37,481)	542,873
9. Health subtotal (Lines 1 to 8)	11,218,477	129,633,666	24,499	13,175,855	11,242,975	14,549,497
10. Healthcare receivables (a)	2,310,998	1,348,015	274,345	1,867,867	2,585,344	1,904,561
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	4,627,123	0	212,148	4,083,074	4,839,271	4,775,555
13. Totals (Lines 9 - 10 + 11 + 12)	13,534,601	128,285,651	(37,699)	15,391,062	13,496,903	17,420,491

(a) Excludes \$0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	129,094	129,074	129,040	129,040	129,040
2.	2010	139,713	146,460	146,673	146,662	146,662
3.	2011	XXX	132,671	141,796	141,794	141,800
4.	2012	XXX	XXX	132,052	142,604	142,659
5.	2013	XXX	XXX	XXX	131,929	142,497
6.	2014	XXX	XXX	XXX	XXX	123,679

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	169,076	174,173	129,040	129,040	129,040
2.	2010	154,645	167,208	146,673	146,662	146,662
3.	2011	XXX	138,110	142,464	141,794	141,800
4.	2012	XXX	XXX	135,473	142,665	142,659
5.	2013	XXX	XXX	XXX	150,496	142,496
6.	2014	XXX	XXX	XXX	XXX	141,213

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	162,417	146,993	3,579	2.4	150,572	92.7	0	0	150,572	92.7
2. 2011	153,909	141,800	3,278	2.3	145,078	94.3	0	0	145,078	94.3
3. 2012	160,698	142,659	3,979	2.8	146,638	91.3	321	0	146,959	91.5
4. 2013	159,182	142,497	3,709	2.6	146,206	91.8	18,994	267	165,467	103.9
5. 2014	159,841	123,679	3,821	3.1	127,500	79.8	18,848	183	146,531	91.7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	3,938	3,937	3,937	3,937	3,937
2.	2010	3,812	3,990	3,988	3,988	3,988
3.	2011	XXX	1,953	2,081	2,080	2,080
4.	2012	XXX	XXX	2,312	2,522	2,522
5.	2013	XXX	XXX	XXX	1,913	2,123
6.	2014	XXX	XXX	XXX	XXX	38

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	4,524	3,938	3,937	3,937	3,937
2.	2010	4,537	3,991	3,988	3,988	3,988
3.	2011	XXX	2,122	2,081	2,080	2,080
4.	2012	XXX	XXX	2,454	2,522	2,522
5.	2013	XXX	XXX	XXX	2,068	2,123
6.	2014	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2010	3,824	3,988	95	2.4	4,083	106.8	0	0	4,083	106.8
2. 2011	2,624	2,080	52	2.5	2,132	81.3	0	0	2,132	81.3
3. 2012	2,162	2,522	65	2.6	2,587	119.7	0	0	2,587	119.7
4. 2013	1,692	2,123	47	2.2	2,170	128.3	0	0	2,170	128.3
5. 2014	50	38	45	118.4	83	166.0	155	84	322	644.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	0	0	0	0	0
2.	2010	330	330	331	331	331
3.	2011	XXX	12,612	16,564	16,564	16,567
4.	2012	XXX	XXX	43,953	51,252	51,262
5.	2013	XXX	XXX	XXX	37,038	37,571
6.	2014	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	0	0	0	0	0
2.	2010	507	509	331	331	331
3.	2011	XXX	16,535	16,565	16,567	16,567
4.	2012	XXX	XXX	52,971	51,262	51,262
5.	2013	XXX	XXX	XXX	37,571	37,571
6.	2014	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	62	0	0	0.0	0	0.0	0	0	0	0.0
2. 2011	1,623	16,567	95	0.6	16,662	1,026.6	0	0	16,662	1,026.6
3. 2012	5,124	51,262	148	0.3	51,410	1,003.3	0	0	51,410	1,003.3
4. 2013	3,857	37,571	111	0.3	37,682	977.0	9	0	37,691	977.2
5. 2014	0	0	0	0.0	0	0.0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	133,032	133,011	132,977	132,977	132,977
2.	2010	143,855	150,780	150,992	150,981	150,981
3.	2011	XXX	147,236	160,441	160,438	160,447
4.	2012	XXX	XXX	178,317	196,378	196,443
5.	2013	XXX	XXX	XXX	170,880	182,191
6.	2014	XXX	XXX	XXX	XXX	123,717

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	173,600	178,111	132,977	132,977	132,977
2.	2010	159,689	171,708	150,992	150,981	150,981
3.	2011	XXX	156,767	161,110	160,441	160,447
4.	2012	XXX	XXX	190,898	196,449	196,443
5.	2013	XXX	XXX	XXX	190,135	182,190
6.	2014	XXX	XXX	XXX	XXX	141,213

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	166,303	150,981	3,674	2.4	154,655	93.0	0	0	154,655	93.0
2. 2011	158,156	160,447	3,425	2.1	163,872	103.6	0	0	163,872	103.6
3. 2012	167,984	196,443	4,192	2.1	200,635	119.4	321	0	200,956	119.6
4. 2013	164,731	182,191	3,867	2.1	186,058	112.9	19,003	267	205,328	124.6
5. 2014	159,891	123,717	3,866	3.1	127,583	79.8	19,003	267	146,853	91.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$) for investment income									
5. Aggregate write-ins for other policy reserves									
6. Totals (gross)									
7. Reinsurance ceded									
8. Totals (Net)(Page 3, Line 4)									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. Totals (gross)									
13. Reinsurance ceded									
14. Totals (Net)(Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page.....									
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)									

(a) Includes \$ premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$0 for occupancy of own building)	94,011	43,031	426,917	0	563,959
2. Salary, wages and other benefits	849,075	388,644	3,855,773	0	5,093,491
3. Commissions (less \$0 ceded plus \$0 assumed)	171,935	78,699	780,784	0	1,031,419
4. Legal fees and expenses	19,767	9,048	89,765	0	118,580
5. Certifications and accreditation fees	6,277	2,873	28,506	0	37,657
6. Auditing, actuarial and other consulting services	229,792	105,182	1,043,521	0	1,378,495
7. Traveling expenses	15	7	67	0	88
8. Marketing and advertising	84,013	38,455	381,517	0	503,985
9. Postage, express and telephone	21,462	9,824	97,461	0	128,747
10. Printing and office supplies	63,986	29,288	290,571	0	383,845
11. Occupancy, depreciation and amortization	81,680	37,387	370,920	0	489,987
12. Equipment	703	322	3,191	0	4,215
13. Cost or depreciation of EDP equipment and software	0	0	0	0	0
14. Outsourced services including EDP, claims, and other services	538,512	246,491	2,445,462	0	3,230,465
15. Boards, bureaus and association fees	1,335	611	6,061	0	8,007
16. Insurance, except on real estate	8,124	3,718	36,891	0	48,734
17. Collection and bank service charges	5,036	2,305	22,871	0	30,213
18. Group service and administration fees	58,287	26,680	264,692	0	349,659
19. Reimbursements by uninsured plans	0	0	0	0	0
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	0	0	0	0	0
22. Real estate taxes	6,208	2,842	28,191	0	37,241
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	234,641	107,401	1,065,540	0	1,407,583
23.2 State premium taxes	0	0	0	0	0
23.3 Regulatory authority licenses and fees	452,698	207,211	2,055,766	0	2,715,675
23.4 Payroll taxes	50,084	22,925	227,441	0	300,450
23.5 Other (excluding federal income and real estate taxes)	0	0	0	0	0
24. Investment expenses not included elsewhere	0	0	0	104,895	104,895
25. Aggregate write-ins for expenses	7,688	3,519	34,911	0	46,117
26. Total expenses incurred (Lines 1 to 25)	2,985,329	1,366,463	13,556,818	104,895	(a) .....18,013,505
27. Less expenses unpaid December 31, current year ..	165,010	75,529	4,710,065	0	4,950,604
28. Add expenses unpaid December 31, prior year	183,209	83,860	3,108,926	0	3,375,995
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year	0	0	0	0	0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	3,003,529	1,374,793	11,955,679	104,895	16,438,896
DETAILS OF WRITE-INS					
2501. OTHER	7,688	3,519	34,911	0	46,117
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	7,688	3,519	34,911	0	46,117

(a) Includes management fees of \$0 to affiliates and \$0 to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds	(a) .....0	.....0
1.1	Bonds exempt from U.S. tax	(a) .....0	.....0
1.2	Other bonds (unaffiliated)	(a) .....0	.....0
1.3	Bonds of affiliates	(a) .....0	.....0
2.1	Preferred stocks (unaffiliated)	(b) .....0	.....0
2.11	Preferred stocks of affiliates	(b) .....0	.....0
2.2	Common stocks (unaffiliated)	744,315	744,315
2.21	Common stocks of affiliates	0	0
3.	Mortgage loans	(c) .....0	.....0
4.	Real estate	(d) .....0	.....0
5	Contract Loans	0	0
6	Cash, cash equivalents and short-term investments	(e) .....1,364	.....1,364
7	Derivative instruments	(f) .....0	.....0
8.	Other invested assets	0	0
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	745,679	745,679
11.	Investment expenses		(g) .....104,895
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) .....0
13.	Interest expense		(h) .....0
14.	Depreciation on real estate and other invested assets		(i) .....0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		104,895
17.	Net investment income (Line 10 minus Line 16)		640,784
DETAILS OF WRITE-INS			
0901.	.....	
0902.	.....	
0903.	.....	
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (b) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued dividends on purchases.
- (c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (d) Includes \$0 for company's occupancy of its own buildings; and excludes \$0 interest on encumbrances.
- (e) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (f) Includes \$0 accrual of discount less \$0 amortization of premium.
- (g) Includes \$.0 investment expenses and \$0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$0 interest on surplus notes and \$0 interest on capital notes.
- (i) Includes \$0 depreciation on real estate and \$0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	0	0	0	0	0
1.1	Bonds exempt from U.S. tax	0	0	0	0	0
1.2	Other bonds (unaffiliated)	0	0	0	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	2,005,706	0	2,005,706	(571,419)	0
2.21	Common stocks of affiliates	0	0	0	(424,793)	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0	0	0
5.	Contract loans	0	0	0	0	0
6.	Cash, cash equivalents and short-term investments	0	0	0	0	0
7.	Derivative instruments	0	0	0	0	0
8.	Other invested assets	0	0	0	766,361	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	2,005,706	0	2,005,706	(229,851)	0
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3 Accrued retrospective premiums	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	4,791,076	3,227,478	(1,563,598)
21. Furniture and equipment, including health care delivery assets	10,991	25,384	14,393
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivable from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	1,357,844	1,228,561	(129,283)
25. Aggregate write-ins for other than invested assets	808,083	1,482,488	674,405
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	6,967,994	5,963,911	(1,004,083)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	6,967,994	5,963,911	(1,004,083)
DETAILS OF WRITE-INS			
1101.	0	0	0
1102.	0	0	0
1103.	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. PREPAIDS	808,083	1,482,488	674,405
2502.	0	0	0
2503.	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	808,083	1,482,488	674,405

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	31,901	30,971	30,723	30,995	30,136	369,118
2. Provider Service Organizations	0	0	0	0	0	0
3. Preferred Provider Organizations	0	0	0	0	0	0
4. Point of Service	0	0	0	0	0	0
5. Indemnity Only	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	31,901	30,971	30,723	30,995	30,136	369,118
DETAILS OF WRITE-INS						
0601.	0	0	0	0	0	0
0602.	0	0	0	0	0	0
0603.	0	0	0	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

1. SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

The financial statements of Physicians Health Plan (PHP) are presented on the basis of accounting practices prescribed or permitted by the Department of Insurance and Financial Services (DIFS).

DIFS recognizes only statutory accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual*, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Michigan.

A reconciliation of PHP's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Michigan is shown below:

Description	December 31, 2014	December 31, 2013
(1) Net Income, Michigan	\$ 2,863,641	\$ 3,024,178
(2) State Prescribed Practices: None	-	-
(3) State Prescribed Practices: None	-	-
(4) Net Income, NAIC SAP	\$ 2,863,641	\$ 3,024,178

Description	December 31, 2014	December 31, 2013
(5) Statutory Capital & Surplus, Michigan	\$ 59,901,217	\$ 58,205,414
(6) State Prescribed Practices: None	-	-
(7) State Prescribed Practices: None	-	-
(8) Statutory Capital & Surplus, NAIC SAP	\$ 59,901,217	\$ 58,205,414

B. Use of Estimates

In preparing the financial statements in conformity with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures Manual*, management makes estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

- Short term investments are stated at amortized cost or at market value depending upon the respective investment.
- Bonds

Not applicable
- Common stocks are stated at market value.
- Preferred stocks

Not applicable
- Mortgage loans

Not applicable
- Loan-backed securities

Not applicable
- Investments in subsidiaries, controlled and affiliated companies:

PHP records its investment in Sparrow PHP, a wholly owned subsidiary licensed as a Health Maintenance Organization (HMO) by the state of Michigan, using the audited statutory equity method and reports the increase or decrease in the investment as a change in unrealized gain or loss for capital & surplus.

PHP records its investment in PHP Service Company, a wholly owned subsidiary licensed as a Third Party Administrator by the state of Michigan, using the audited statutory equity method and reports the increase or decrease in the investment as a change in unrealized gain or loss for capital & surplus.

PHP records its investment in PHP Insurance Company, a wholly owned subsidiary licensed by the state of Michigan, using the audited statutory equity method and reports the increase or decrease in the investment as a change in unrealized gain or loss for capital & surplus.

8. Investments in joint ventures, partnerships and limited liability companies
Not applicable
9. Derivatives
Not applicable
10. Premium deficiency reserves
Not applicable
11. Estimates on unpaid losses are based upon the plan's past experience, individual case estimates and an estimate for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined. Loss/claim adjustment expenses related to claims is accrued based on estimates of expenses to process those claims.
12. PHP has not modified its capitalization policy from the prior period.
13. Pharmaceutical rebate receivable estimates are based upon historical rebate trends, Plan membership and estimates from PHP's pharmacy benefit manager.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Not applicable

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable

4. DISCONTINUED OPERATIONS

Not applicable

5. INVESTMENTS

- A. Mortgage Loans, including Mezzanine Real Estate Loans
Not applicable
- B. Debt Restructuring
Not applicable
- C. Reverse Mortgages
Not applicable
- D. Loan-Backed Securities
Not applicable
- E. Repurchase Agreements and/or Securities Lending Transactions
Not applicable

F. Writedowns for Impairments of Real Estate and Retail Land Sales

Not applicable

G. Low-Income Housing Tax Credit

Not applicable

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable

7. INVESTMENT INCOME

All investment income due or accrued has been included in the filing.

8. DERIVATIVE INSTRUMENTS

Not applicable

9. INCOME TAXES

PHP is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

A, B, C, D, E, F, G

PHP is a controlled entity of Sparrow Health System (SHS). Certain administrative expenses such as payroll are processed under a centralized Sparrow system. The financial statements have been prepared from separate records maintained by Sparrow, with certain expense items representing allocations from Sparrow.

PHP has a contract with Physicians Health Network (PHN). PHP members obtain medical services from PHN.

Sparrow PHP is a not-for-profit HMO organized under the laws of the state of Michigan and is a wholly-owned subsidiary of PHP. Certain administrative expenses are charged to Sparrow PHP for services which apply to the Sparrow PHP participants.

PHP is the sole member of PHP Shared Services, LLC. The purpose of PHP Shared Services, LLC is to facilitate statewide contracting and to achieve economies of scale to obtain health maintenance organization management and other required purchased services for owners of PHP Shared Services, LLC. Effective June 30, 2013 PHP Shared Services was dissolved.

PHP Insurance Company (PHP IC) is a for-profit company organized under the laws of the state of Michigan and is a wholly-owned subsidiary of PHP. Certain administrative expenses are charged to PHP IC for services which apply directly to PHP IC. Effective June 20, 2014, PHP made a capital contribution to PHP IC in the amount of \$500,000.

PHP Service Company (PHP SC) is a for-profit company organized under the laws of the state of Michigan and is a wholly-owned subsidiary of PHP. Certain administrative expenses are charged to PHP SC for services which apply directly to PHP SC.

Names of Insurers and Parent, Subsidiaries or Affiliates	Capital Contributions	Management Agreements and Service Contracts
Physicians Health Network	\$ -	\$ 185,127,531
Physicians Health Plan	\$ (500,000)	\$ (134,648,757)
PHP FamilyCare	\$ -	\$ (52,540,698)
PHP Service Company	\$ -	\$ (3,787,425)
PHP Insurance Company	\$ 500,000	\$ (5,650,227)
Sparrow Health System	\$ -	\$ 11,499,575

- H. Amount Deducted for Investment in Upstream Company
Not Applicable
- I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets
Not Applicable
- J. Writedowns for Impairment of Investments in Affiliates
Not Applicable
- K. Foreign Subsidiary Valued Using CARVM
Not Applicable
- L. Downstream Holding Company Valued Using Look-Through Method
Not Applicable

11. DEBT

Not applicable

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

Some PHP employees are covered by a noncontributory pension plan sponsored by SHS (the “Plan”). Pension benefits under the Plan are based on years of service and the employee’s compensation during the last five years of employment. The policy of the Plan is to contribute an amount equal to or at least the actuarially determined minimum funding requirement. Contributions are intended to provide for benefits attributed to service to date and for those expected to be earned in the future. Plan assets are invested primarily in equities and fixed income securities. Other PHP employees are covered by an approved 401(k) program. PHP paid \$459,000 and PHP paid \$514,000 to SHS in 2014 and 2013, respectively, for their pension costs.

13. CAPITAL AND SURPLUS, SHAREHOLDERS’ DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

Not applicable

14. CONTINGENCIES

- A. Contingent Commitments
Not Applicable
- B. Guaranty Fund and Other Assessments
Not Applicable
- C. Gain Contingencies
Not Applicable
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming From Lawsuits
Not Applicable
- E. Other Contingencies
Not Applicable

15. LEASES

- A. Lessee Leasing Arrangements
Not Applicable

B. Lessor Leases

Not Applicable

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

Not applicable

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

Not applicable

19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS

Not applicable

20. FAIR VALUE MEASUREMENTS

A.

1. Assets Measured at Fair Value on a Recurring Basis:

1	2	3	4	5
Description for Each Class of Asset or Liability	Level 1	Level 2	Level 3	Total
a. Assets at Fair Value				
Mutual Funds	\$ 35,951,777			\$ 35,951,777
Short-Term Investments	32,016,842	-	-	32,016,842
Total Assets at Fair Value	\$ 67,968,619	\$ -	\$ -	\$ 67,968,619

There are no assets or liabilities recorded at fair value on a non-recurring basis as of December 31, 2014 and December 31, 2013.

The Company has categorized its assets and liabilities into the three-level fair value hierarchy based upon the priority of the inputs to the respective valuation technique. The following summarizes the type of assets and liabilities owned by the Company that are included within the three-level fair value hierarchy presented in the table above:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities: This category is generally quotes for debt or equity securities actively traded in exchange or over-the-counter markets.

Level 2 – Significant other observable inputs: The Company has no Level 2 assets or liabilities.

Level 3 – Significant unobservable inputs: The Company has no Level 3 assets or liabilities.

2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

The Company has no assets or liabilities measured at fair value in the Level 3 category

3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

- 4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values
The Company has no assets or liabilities measured at fair value in the Level 3 category.
- 5. Derivative Fair Value
Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Reasons Not Practical to Estimate Fair Values

Not applicable

21. OTHER ITEMS

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring

Not applicable

C. Other Disclosures

(1) Dividends paid by a Michigan HMO are subject to limitations imposed by the Michigan Insurance Code (the Code). Under the Code, dividends may be paid only from statutory earnings and net worth. In addition, DIFS must approve all dividends and may not approve extraordinary dividends. There were no dividend payments in 2014 or 2013.

(2) High Risk Health Insurance Pool Program: The Office of Consumer Information & Insurance Oversight in the Department of Health & Human Services in coordination with the Department of Insurance and Financial Services awarded a contract to Physicians Health Plan to establish and operate a temporary high risk health insurance pool program in Michigan to provide health insurance coverage to currently uninsured individuals with pre-existing conditions.

The program provided coverage for eligible individuals beginning October 1, 2010. The program ended June 30, 2013.

D. Uncollectible Premiums Receivable

Not applicable

E. Business Interruption Insurance Recoveries

Not applicable

F. State Transferable Tax Credits

Not applicable

G. Subprime Mortgage Related Risk Exposure

Not applicable

H. Retained Assets

Not applicable

22. EVENTS SUBSEQUENT

On January 1, 2015 the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes

Payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2014, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2014, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2015 to be \$2,910,868.

23. REINSURANCE

A. Ceded Reinsurance Report

Section 1 General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? Yes () No (x)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? Yes () No (x)

Section 2 Ceded Reinsurance Report Part A.

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credit? Yes () No(x).

(2) Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsured of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes () No (x).

Section 3 Ceded Reinsurance Report Part B.

(1) What is the estimated amount of the aggregate reduction in surplus, for agreements, not reflected in Section 2 above, of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0.00

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement to include policies or contracts which were in force or which had existing reserves established by the company as of the effective date of the agreement? Yes() No (x).

B. Uncollectible Reinsurance

Not applicable

C. Commutation of Ceded Reinsurance

Not applicable

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

Not applicable

25. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

The following table provides a reconciliation of beginning and ending reserves for claims unpaid and unpaid claim adjustment expenses, net of reinsurance recoverable on unpaid losses:

	2014	2013
	(in thousands)	
Balance—January 1	\$ 14,817	\$ 19,310
Add provision for claims occurring in:		
Current year	134,582	178,052
Prior year	5,114	(246)
Net incurred losses during the current year	139,696	177,806
Deduct payments for claims occurring in:		
Current year	131,919	164,527
Prior year	9,153	17,772
Net claim payments during the current year	141,071	182,299
End of year reserve - December 31	\$ 13,441	\$ 14,817

26. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable

27. STRUCTURED SETTLEMENTS

Not applicable

28. HEALTH CARE RECEIVABLES

Healthcare receivables include pharmacy rebates PHP receives from third party vendors. These rebates are calculated using estimates based on per claim guarantee calculations, historical rebate trends and membership. Activity for the previous three years is summarized as follows:

A. Pharmacy Rebates (In Thousands)

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2014	\$ 784	\$ 784	\$ -	\$ -	\$ -
9/30/2014	798	798	447	-	-
6/30/2014	804	804	-	447	-
3/31/2014	806	806	-	455	-
12/31/2013	676	676	-	580	-
9/30/2013	708	708	609	-	-
6/30/2013	765	765	-	538	-
3/31/2013	770	770	-	669	69
12/31/2012	864	864	-	607	57
9/30/2012	865	865	-	725	45
6/30/2012	860	860	667	-	33
3/31/2012	871	871	-	746	-

B. Risk Share Receivable

None

29. PARTICIPATING POLICIES

Not applicable

30. PREMIUM DEFICIENCY RESERVES

Not applicable

31. ANTICIPATED SALVAGE AND SUBROGATION

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State Regulating?

Michigan

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2011

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2011

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/29/2013

3.4

By what department or departments?
MICHIGAN DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [X] No [] N/A []

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes [] No [X]
Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes [] No [X]
Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,
7.21 State the percentage of foreign control;
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

0.0 %

1	2
Nationality	Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
.....

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]

8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
.....

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
ERNST & YOUNG, SUITE 1000, ONE KENNEDY SQUARE, 777 WOODWARD AVENUE, DETROIT, MI 48226

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]

10.2

If the response to 10.1 is yes, provide information related to this exemption:
.....

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]

10.4

If the response to 10.3 is yes, provide information related to this exemption:
.....

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []

10.6

If the response to 10.5 is no or n/a, please explain
.....

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
MICHAEL G. STURM, BROOKFIELD, WI (MILLIMAN)

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]

12.11

Name of real estate holding company

12.12

Number of parcels involved

0

12.13

Total book/adjusted carrying value

\$0

12.2

If, yes provide explanation:
.....

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....

13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A [X]

14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []

(a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e)

Accountability for adherence to the code.

14.11

If the response to 14.1 is No, please explain:
.....

14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]

14.21

If the response to 14.2 is yes, provide information related to amendment(s).
.....

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]

14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

GENERAL INTERROGATORIES

- | | | | |
|--|--------------------------------------|--|-------------|
| 1
American Bankers Association (ABA) Routing Number | 2
Issuing or Confirming Bank Name | 3
Circumstances That Can Trigger the Letter of Credit | 4
Amount |
| | | | |

16.	Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]
17.	Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]
18.	Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]

19.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?		Yes []	No [X]
20.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):	20.11 To directors or other officers.....	\$	0
		20.12 To stockholders not officers.....	\$	0
		20.13 Trustees, supreme or grand (Fraternal Only)	\$	0
20.2	Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):	20.21 To directors or other officers.....	\$	0
		20.22 To stockholders not officers.....	\$	0
		20.23 Trustees, supreme or grand (Fraternal Only)	\$	0
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?		Yes []	No [X]
21.2	If yes, state the amount thereof at December 31 of the current year:	21.21 Rented from others.....	\$	0
		21.22 Borrowed from others.....	\$	0
		21.23 Leased from others	\$	0
		21.24 Other	\$	0
22.1	Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?		Yes []	No [X]
22.2	If answer is yes:	22.21 Amount paid as losses or risk adjustment	\$	0
		22.22 Amount paid as expenses	\$	0
		22.23 Other amounts paid	\$	0
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?		Yes [X]	No []
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:		\$	1,357,713

24.01	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03).....	Yes [X] No []
24.02	If no, give full and complete information relating thereto	
24.03	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)	
24.04	Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?	Yes [] No [] N/A [X]
24.05	If answer to 24.04 is yes, report amount of collateral for conforming programs.	\$0
24.06	If answer to 24.04 is no, report amount of collateral for other programs.	\$0
24.07	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?	Yes [] No [] N/A [X]
24.08	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes [] No [] N/A [X]
24.09	Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?	Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes ☒ No ☐

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	0
		25.22 Subject to reverse repurchase agreements	\$	0
		25.23 Subject to dollar repurchase agreements	\$	0
		25.24 Subject to reverse dollar repurchase agreements	\$	0
		25.25 Placed under option agreements	\$	0
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	0
		25.27 FHLB Capital Stock	\$	0
		25.28 On deposit with states	\$	1,160,796
		25.29 On deposit with other regulatory bodies	\$	0
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	0
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	0
		25.32 Other	\$	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ☐ No ☒

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ☐ No ☐ N/A ☒
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes ☐ No ☒

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes ☒ No ☐

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
BNY MELLON	ONE MELLON CENTER, PITTSBURGH, PA 15258-0001

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes ☐ No ☒

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	SEI	1 FREEDOM DRIVE, OAKS, PA 19456

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])?
- Yes [] No [X]
- 29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 - Total		0

- 29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	32,016,842	32,016,842	0
30.2 Preferred stocks	0	0	0
30.3 Totals	32,016,842	32,016,842	0

- 30.4 Describe the sources or methods utilized in determining the fair values:
- NAIC ACCOUNTING PRACTICES

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- Yes [] No [X]

- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
- Yes [] No []

- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- PRICE PUBLISHED IN NAIC VALUATION OF SECURITIES

- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
- Yes [X] No []

- 32.2 If no, list exceptions:
-

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$129,870

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
HEALTH PLAN ALLIANCE	45,449
MICHIGAN ASSOCIATION OF HEALTH PLANS	45,580
.....

34.1 Amount of payments for legal expenses, if any?\$172,440

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
FOSTER SWIFT COLLINS & SMITH	130,462
.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U.S. business only.

\$ 0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$ 0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 0

1.62

Total incurred claims

\$ 0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$ 0

1.65

Total incurred claims

\$ 0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$ 0

1.75

Total incurred claims

\$ 0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

158,150,283

163,225,016

2.2

Premium Denominator

158,150,283

163,225,016

2.3

Premium Ratio (2.1/2.2)

1.000

1.000

2.4

Reserve Numerator

17,495,576

19,325,059

2.5

Reserve Denominator

17,495,576

19,325,060

2.6

Reserve Ratio (2.4/2.5)

1.000

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [] No [X]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [X] No []

5.2

If no, explain:

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$ 400,000

5.32

Medical Only

\$ 0

5.33

Medicare Supplement

\$ 0

5.34

Dental & Vision

\$ 0

5.35

Other Limited Benefit Plan

\$ 0

5.36

Other

\$ 0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
HOLD HARMLESS PROVISION IN PROVIDER CONTRACT
STATE REQUIRED RESERVES & INSOLVENCY CLAUSE IN REINSURANCE AGREEMENT

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X] No []

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

1,713

8.2

Number of providers at end of reporting year

2,857

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

\$ 0

9.22

Business with rate guarantees over 36 months

\$ 0

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No []

10.2 If yes:

10.21 Maximum amount payable bonuses.....\$0

10.22 Amount actually paid for year bonuses.....\$0

10.23 Maximum amount payable withholds.....\$4,775,555

10.24 Amount actually paid for year withholds.....\$4,775,555

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [] No [X]

11.13 An Individual Practice Association (IPA), or, . Yes [] No [X]

11.14 A Mixed Model (combination of above)? Yes [] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No []

11.3 If yes, show the name of the state requiring such net worth. MICHIGAN

11.4 If yes, show the amount required.\$24,354,072

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]

11.6 If the amount is calculated, show the calculation

12/31/2014 RBC COMPANY ACTION LEVEL = \$24,354,072

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
CLINTON COUNTY
EATON COUNTY
GRATIOT COUNTY
HILLSDALE COUNTY
INGHAM COUNTY
IONIA COUNTY
ISABELLA COUNTY (PARTIAL)
JACKSON COUNTY
LENAWEE COUNTY (PARTIAL)
MONTCALM COUNTY
SAGINAW COUNTY (PARTIAL)
SHIAWASSEE COUNTY
WASHTENAW COUNTY (PARTIAL)

13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date.\$0

13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

13.4 If yes, please provide the balance of funds administered as of the reporting date.\$0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [] No [] N/A []

14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
.....

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written.....\$0

15.2 Total Incurred Claims.....\$0

15.3 Number of Covered Lives.....0

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurantee)
Universal Life (with or without secondary gurantee)
Variable Universal Life (with or without secondary gurantee)

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

FIVE-YEAR HISTORICAL DATA

	1 2014	2 2013	3 2012	4 2011	5 2010
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	86,287,527	83,161,867	79,948,043	70,272,205	73,918,572
2. Total liabilities (Page 3, Line 24)	26,452,410	24,956,453	27,221,508	23,468,576	22,408,538
3. Statutory surplus	24,354,072	0	23,258,810	25,794,208	21,000,704
4. Total capital and surplus (Page 3, Line 33)	59,835,118	58,205,414	52,726,535	46,803,629	51,532,173
Income Statement (Page 4)					
5. Total revenues (Line 8)	157,878,886	195,271,425	214,590,468	171,877,815	164,328,413
6. Total medical and hospital expenses (Line 18)	139,753,126	178,892,609	197,866,840	157,179,539	150,123,838
7. Claims adjustment expenses (Line 20)	4,351,792	3,791,978	4,268,792	3,509,517	3,685,460
8. Total administrative expenses (Line 21)	13,556,818	11,812,868	13,298,252	10,932,939	10,603,780
9. Net underwriting gain (loss) (Line 24)	217,151	773,970	(843,416)	255,820	(84,665)
10. Net investment gain (loss) (Line 27)	2,646,490	2,250,206	799,016	3,756,822	390,787
11. Total other income (Lines 28 plus 29)	0	0	25,000	(435)	1,085,342
12. Net income or (loss) (Line 32)	2,863,640	3,024,176	(19,400)	4,012,207	1,391,464
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	4,812,313	8,627,908	(50,154)	(2,119,386)	(3,823,137)
Risk-Based Capital Analysis					
14. Total adjusted capital	59,885,224	58,205,414	52,824,235	46,803,629	51,532,173
15. Authorized control level risk-based capital	12,177,036	12,081,121	11,629,405	12,897,104	10,500,352
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	30,136	31,901	36,614	34,750	35,092
17. Total members months (Column 6, Line 7)	369,118	405,089	420,519	403,697	432,399
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	88.4	109.6	119.1	100.8	91.4
20. Cost containment expenses	1.9	1.6	1.8	1.5	1.5
21. Other claims adjustment expenses	0.9	0.7	0.8	0.7	0.7
22. Total underwriting deductions (Line 23)	99.7	119.2	129.6	110.1	100.1
23. Total underwriting gain (loss) (Line 24)	0.1	0.5	(0.5)	0.2	(0.1)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	13,496,903	19,438,260	14,665,077	12,836,506	11,562,489
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	17,420,491	23,084,765	18,535,039	14,087,521	17,089,568
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	8,777,344	8,702,138	8,982,259	9,182,148	6,251,943
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	8,494,340	7,727,980	6,259,898	6,413,428	6,517,946
32. Total of above Lines 26 to 31	17,271,684	16,430,118	15,242,157	15,595,576	12,769,889
33. Total investment in parent included in Lines 26 to 31 above.	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

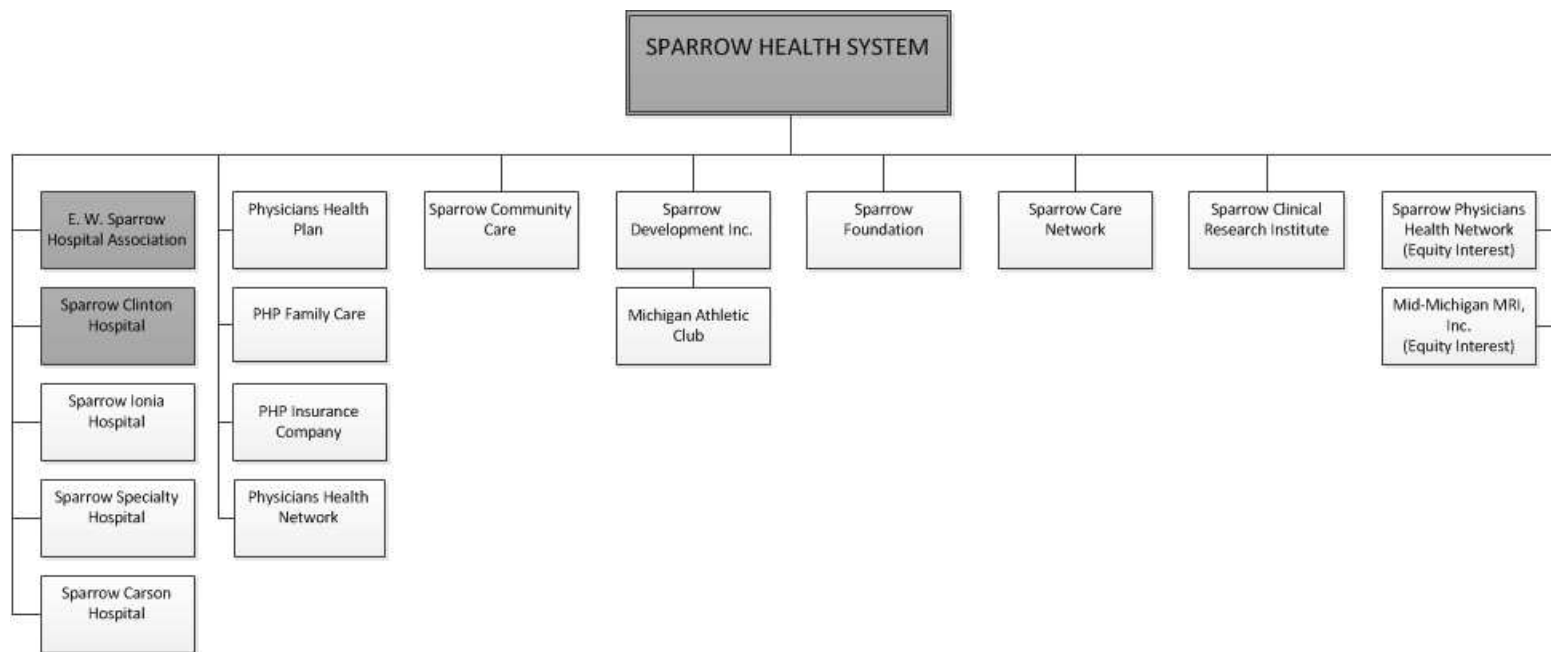
SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories										
States, etc.	1	Direct Business Only								
		2	3	4	5	6	7	8	9	
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts	
1. Alabama	AL	N	0	0	0	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0	0	0	0
5. California	CA	N	0	0	0	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0	0	0	0
9. District of Columbia	DC	N	0	0	0	0	0	0	0	0
10. Florida	FL	N	0	0	0	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0	0	0	0
14. Illinois	IL	N	0	0	0	0	0	0	0	0
15. Indiana	IN	N	0	0	0	0	0	0	0	0
16. Iowa	IA	N	0	0	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0	0	0
23. Michigan	MI	L	159,841,139	0	50,463	0	0	159,891,602	0	0
24. Minnesota	MN	N	0	0	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0	0	0
34. North Carolina	NC	N	0	0	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0	0	0
36. Ohio	OH	N	0	0	0	0	0	0	0	0
37. Oklahoma	OK	N	0	0	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0	0	0
41. South Carolina	SC	N	0	0	0	0	0	0	0	0
42. South Dakota	SD	N	0	0	0	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	159,841,139	0	0	50,463	0	0	159,891,602	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0	0
61. Total (Direct Business)	(a) 1	159,841,139	0	0	50,463	0	0	159,891,602	0	0
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.

(a) Insert the number of L responses except for Canada and Other Alien.



Member of the Obligated Group

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Physicians Health Plan

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 11

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1104.	0	0	0	0
1105.	0	0	0	0
1106.	0	0	0	0
1197. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504.	0	0	0	0
2505.	0	0	0	0
2506.	0	0	0	0
2597. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0

Additional Write-ins for Liabilities Line 23

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
2304.	0	0	0	0
2305.	0	0	0	0
2306.	0	0	0	0
2397. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0

Additional Write-ins for Liabilities Line 25

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
2504.	XXX	XXX	0	0
2505.	XXX	XXX	0	0
2506.	XXX	XXX	0	0
2597. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0

Additional Write-ins for Liabilities Line 30

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
3004.	XXX	XXX	0	0
3005.	XXX	XXX	0	0
3006.	XXX	XXX	0	0
3097. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0

Additional Write-ins for Statement of Revenue and Expenses Line 6

	Current Year		Prior Year
	1	2	3
	Uncovered	Total	Total
0604.	XXX	0	0
0605.	XXX	0	0
0606.	XXX	0	0
0697. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0

Additional Write-ins for Statement of Revenue and Expenses Line 7

	Current Year		Prior Year
	1	2	3
	Uncovered	Total	Total
0704.	XXX	0	0
0705.	XXX	0	0
0706.	XXX	0	0
0797. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0

Additional Write-ins for Statement of Revenue and Expenses Line 14

	Current Year		Prior Year
	1	2	3
	Uncovered	Total	Total
1404.	0	0	0
1405.	0	0	0
1406.	0	0	0
1497. Summary of remaining write-ins for Line 14 from overflow page	0	0	0

Additional Write-ins for Statement of Revenue and Expenses Line 29

	Current Year		Prior Year
	1	2	3
	Uncovered	Total	Total
2904.	0	0	0
2905.	0	0	0
2906.	0	0	0
2997. Summary of remaining write-ins for Line 29 from overflow page	0	0	0

OVERFLOW PAGE FOR WRITE-INS

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